

Conduct Rule 2830(b)(9)). If a Money Market Fund offers more than one class of shares, each Investing Fund will invest its Uninvested Cash only in the class with the lowest expense ratio at the time of investment. In connection with approving any advisory contract for a Registered Investing Fund, the board of trustees of each Registered Investing Fund ("Board"), including a majority of the trustees who are not "interested persons," as defined in section 2(a)(19) of the Act ("Disinterested Trustees"), will consider to what extent, if any, the advisory fees charged to the Registered Investing Fund by the Adviser should be reduced to account for reduced services provided to the Registered Investing Fund by the Adviser as a result of the investment of Uninvested Cash in a Money Market Fund. In this regard, the Adviser will provide the Board with specific information regarding the approximate cost to the Adviser of, or portion of the advisory fee under the existing advisory contract attributable to, managing the Uninvested Cash of the Registered Investing Fund that can be expected to be invested in the Money Market Funds. Applicants represent that so long as its shares are held by an Investing Fund, no Money Market Fund will acquire securities of any other investment company in excess of the limitations contained in section 12(d)(1)(A) of the Act.

4. Section 17(a) of the Act makes it unlawful for any affiliated person of a registered investment company, acting as principal, to sell or purchase any security to or from the investment company. Section 2(a)(3) of the Act defines an affiliated person of an investment company to include any person directly or indirectly owning, controlling, or holding with power to vote 5% or more of the outstanding voting securities of the other person, any person 5% or more of whose outstanding securities are directly or indirectly owned, controlled, or held with power to vote by the other person, any person directly or indirectly controlling, controlled by, or under common control with the other person, and any investment adviser to the investment company. Because each Fund shares a common investment adviser, they may be deemed to be under common control and thus affiliated persons of each other. In addition, if a Registered Investing Fund purchases more than 5% of the voting securities of a Money Market Fund, the Money Market Fund and the Registered Investing Fund may be affiliated persons of each other. As a result,

section 17(a) would prohibit the sale of the shares of Money Market Funds to the Investing Funds, and the redemption of the shares by the Investing Funds.

5. Section 17(b) of the Act authorizes the Commission to exempt a transaction from section 17(a) of the Act if the terms of the proposed transaction, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned, and the proposed transaction is consistent with the policy of each registered investment company concerned and with the general purposes of the Act. Section 6(c) of the Act permits the Commission to exempt persons or transactions from any provision of the Act, if the exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

6. Applicants submit that their request for relief to permit the purchase and redemption of shares of the Money Market Funds by the Investing Funds satisfies the standards in sections 6(c) and 17(b) of the Act. Applicants note that shares of the Money Market Funds will be purchased and redeemed at their net asset value, the same consideration paid and received for these shares by any other shareholder. Applicants state that the Registered Investing Funds will retain their ability to invest Uninvested Cash directly in money market instruments as authorized by their respective investment objectives and policies. Applicants state that a Money Market Fund has the right to discontinue selling shares to any of the Investing Funds if the Money Market Fund's Board determines that such sale would adversely affect the Money Market Fund's portfolio management and operations.

7. Section 17(d) of the Act and rule 17d-1 under the Act prohibit an affiliated person of a registered investment company, acting as principal, from participating in or effecting any transaction in connection with any joint enterprise or joint arrangement in which the investment company participates, unless the Commission has approved the joint arrangement. Applicants state that the Investing Funds and the Money Market Funds, by participating in the proposed transactions, and the Advisers, by managing the proposed transactions, could be deemed to be participating in a joint arrangement within the meaning of section 17(d) and rule 17d-1.

8. In considering whether to approve a joint transaction under rule 17d-1, the

Commission considers whether the investment company's participation in the joint transaction is consistent with the provisions, policies and purposes of the Act, and the extent to which the participation is on a basis different from or less advantageous than that of other participants. Applicants state that the investment by the Investing Funds in shares of the Money Market Funds would be on the same basis and no different from or less advantageous than that of other participants. Applicants submit that the proposed transactions meet the standards for an order under rule 17d-1.

Applicants' Conditions

Applicants agree that any order granting the requested relief will be subject to the following conditions:

1. Shares of the Money Market Funds sold to and redeemed from the Investing Funds will not be subject to a sales load, redemption fee, distribution fee under a plan adopted in accordance with rule 12b-1, or service fee (as defined in rule 2830(b)(9) of the Rules of Conduct of the NASD) or, if such shares are subject to any such sales load, redemption fee, distribution fee or service fee, an Adviser will waive its advisory fee for each Investing Fund in an amount that offsets the amount of such fees incurred by the Investing Fund.

2. Before the next meeting of the Board of a Registered Investing Fund is held for purposes of voting on an advisory contract under section 15 of the Act, the Adviser to the Registered Investing Fund will provide the Board with specific information regarding the approximate cost to the Adviser of, or portion of the advisory fee under the existing advisory contract attributable to, managing the Uninvested Cash of the Registered Investing Fund that can be expected to be invested in the Money Market Funds. Before approving any advisory contract for a Registered Investing Fund, the Board of the Registered Investing Fund, including a majority of the Disinterested Trustees, shall consider to what extent, if any, the advisory fees charged to the Registered Investing Fund by the Adviser should be reduced to account for reduced services provided to the Registered Investing Fund by the Adviser as a result of Uninvested Cash being invested in the Money Market Funds. The minute books of the Registered Investing Fund will record fully the Board's considerations in approving the advisory contract, including the considerations relating to fees referred to above.

3. Each of the Registered Investing Funds will invest Uninvested Cash in,